

VZCZCXRO6672

RR RUEHDBU RUEHFL RUEHKW RUEHLA RUEHPW RUEHROV RUEHSR

DE RUEHSK #0787/01 2561308

ZNY CCCCC ZZH

R 131308Z SEP 07

FM AMEMBASSY MINSK

TO RUEHC/SECSTATE WASHDC 6482

INFO RUEHDL/EUROPEAN POLITICAL COLLECTIVE

RUCNAFG/AFGHANISTAN COLLECTIVE

RUEHVEN/USMISSION USOSCE 1665

RUEHBS/USEU BRUSSELS

RHMFISS/HQ USEUCOM VAIHINGEN GE

RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK

C O N F I D E N T I A L SECTION 01 OF 02 MINSK 000787

SIPDIS

SIPDIS

E.O. 12958: DECL: 09/13/2017

TAGS: [ECON](#) [PGOV](#) [BO](#)

SUBJECT: DEMONSTRATION AGAINST HIRING RESTRICTIONS

REF: MINSK 216

Classified By: Ambassador Stewart for reason 1.4(d).

Summary

¶1. (SBU) On September 10, several hundred small entrepreneurs gathered peacefully to protest an executive order which will limit entrepreneurs to employing only family members. The Perspektiva small business association and retail vendors' councils from several cities throughout the country organized the rally, which attracted more participants than similar events in the past. End summary.

Using Luka's Own Words Against Him

¶12. (U) On September 10, 500 people, mostly market vendors, gathered in Minsk's Bangalore Square to protest against Lukashenko's Executive Order number 760 (E.O. 760). The protesters focused on the section of the order that will forbid entrepreneurs from employing anyone other than up to three family members. The order is to go into effect on January 1, 2008.

¶13. (SBU) While past rallies against the executive order took on decidedly political overtones (reftel), organizers of this meeting focused on more practical issues, particularly on President Lukashenko's own past policy pronouncements. Instead of protesting against the president, the speakers made appeals for him to fulfill his past promises.

¶14. (U) Banners forming the backdrop to the stage reminded participants of Lukashenko's past statements that "entrepreneurs should not suffer," that government should "not worsen operating conditions for entrepreneurs," and that it would "create stable tax conditions for the development of small business." To illustrate their main concern, Anatol Shumchenko, Chairman of Perspektiva, called to the stage a teenage girl who explained that under the edict, her parents would have no choice but to draft her into the family business as a petty trader instead of sending her to medical school.

Pragmatism Over Idealism - A Strategy Shift?

¶14. (C) Ales Mahailovich, Deputy Chair of the Belarusian Popular Front (BPF), told PolOff that organizers were pleased with the turnout at the rally, stating that it was significantly more than appeared at the last demonstration against E.O. 760. He did express slight disappointment at the pragmatism of the typical Belarusian, saying he "wish(es)

they were more idealistic and not merely practical."

¶15. (C) Market vendors are representative of a large portion of Belarusians who prefer to focus on practical matters concerning their family budgets rather than on politics and ideology. Instead of using rhetoric calling for opposition to the president, Shumchenko simply called on Lukashenko to follow through on past announcements. The relatively large turnout at the rally could well be because of the focus on these practical issues instead of on abstract democratic principles.

Comment: Picking on Those He Might Need Later

¶16. (C) President Lukashenko's moves seek to control the typically independent-minded entrepreneurs by increasing the citizenry's dependence on the government. By strictly regulating the hiring practices of entrepreneurs, he effectively limits the prospects for many youth and former state employees to find employment, thus strengthening his grip on them. This strategy could backfire, considering that when the inevitable economic slowdown occurs and the government is forced to lay off workers, a contented entrepreneurial class would have likely remained in support of the president and helped mitigate some of the social tension.

¶17. (C) Several interlocutors believe the decree also favors large retailers, both those run by the state and those privately owned by individuals with close ties to the Presidential Administration. Lawyer Sergey Balykin told us some vendors registered their employees as separate

MINSK 00000787 002 OF 002

individual entrepreneurs, which increases fees but keeps vendors in business for now even if the decree is not rescinded or softened.

Stewart
Stewart